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BONNIE MARUQUIN

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

BONNIE MARUQUIN,

Plaintiff,

vs.

LIFE INSURANCE COMPANY OF
NORTH AMERICA,

Defendant.

Case No:

COMPLAINT FOR BENEFITS UNDER
AN EMPLOYEE WELFARE BENEFIT
PLAN

Plaintiff alleges as follows:

1. This Court's jurisdiction is invoked pursuant to 28 U.S.C. §§ 1331, 1337 and 29 U.S.C. § 1132(a), (e), (f), and (g), of the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1101, *et seq.* (hereafter "ERISA") as it involves a claim by Plaintiff for Disability benefits under an employee benefit plan regulated and governed under ERISA. Jurisdiction is predicated under these code sections as well as 28 U.S.C. § 1331 as this action involves a federal question.

2. The ERISA statute at 29 U.S.C. § 1133, in accordance with Regulations of the Secretary of Labor, provides a mechanism for internal appeal of benefit denials.

1 Those avenues of appeal have been exhausted.

2 3. Plaintiff is informed and believes and thereon alleges that the Community
3 Memorial Health System Long Term Disability Plan ("Plan") is an employee welfare
4 benefit plan established and maintained by Community Memorial Health System to
5 provide its employees and those of its subsidiaries and affiliates, including Plaintiff,
6 BONNIE MARUQUIN ("Plaintiff" and/or "Mrs. MARUQUIN"), with income protection in
7 the event of a disability and is the Plan Administrator.

8 4. Plaintiff alleges upon information and belief that Defendant, LIFE
9 INSURANCE COMPANY OF NORTH AMERICA ("LINA"), is, and at all relevant times
10 was, a corporation duly organized and existing under and by virtue of the laws of the
11 State of Pennsylvania, authorized to transact and transacting the business of insurance
12 in this state, and, the insurer and Claims Administrator for the Plan.

13 5. Plaintiff further alleges that venue is proper in this district pursuant to 29
14 U.S.C. § 1132(e)(2) in that defendant LINA, who fully insured the policy and who is
15 ultimately liable if Plaintiff is found disabled, may be found in this district. Since on or
16 about November 1, 1956, LINA has been registered as a corporation with the state of
17 California, has extensive contacts within the state, employs California residents, conducts
18 ongoing business within the state and therefore, may be found within the state.

19 6. At all relevant times Plaintiff was a citizen of the state of California and
20 resident of Ventura County, an employee of Community Memorial Health System its
21 successors, affiliates and/or subsidiaries, and a participant in the Plan.

22 7. Based upon information and belief, Plaintiff alleges that at all relevant
23 times herein Plaintiff was covered under group disability policy number LK-980212 that
24 had been issued by Defendant LINA to Community Memorial Health System to insure
25 its Plan, and the eligible participants and beneficiaries of the Plan, including Plaintiff.

26 8. The subject Policy promised to pay Plaintiff monthly long term disability
27 benefits for a specified period of time should she become disabled. Therefore, LINA
28 both funds and decides whether claimants will receive benefits under the Plan and as

1 such suffers from a structural conflict which requires additional skepticism.

2 9. Based upon information and belief, Plaintiff alleges that, according to the
3 terms of the Plan, if Plaintiff became disabled, LINA promised to pay long term disability
4 benefits to Plaintiff as follows:

- 5 • Elimination Period: 180 Days
- 6 • Gross Disability Benefit:
 - 7 ○ The lesser of 70% of an Employee's monthly Covered Earnings
 - 8 rounded to the nearest dollar, or the Maximum Disability Benefit.
- 9 • Maximum Disability Benefit: \$10,000 per month.
- 10 • Minimum Disability Benefit: The greater of \$100 or 10% of an Employee's
- 11 Monthly Benefit prior to any reductions for Other Income Benefits.
- 12 • Maximum Benefit Period: The later of the Employee's Social Security
- 13 Normal Retirement Age or the Maximum Benefit Period listed below.
 - 14 ○ Age 62 or under – The Employee's 65th birthday or the date the
 - 15 42nd Monthly Benefits is payable, if later.
- 16 • Definition of Disability/Disabled:
 - 17 ○ The Employee is considered Disabled if, solely because of Injury or
 - 18 Sickness, he or she is:
 - 19 ▪ 1. unable to perform the material duties of his or her Regular
 - 20 Occupation; and
 - 21 ▪ 2. unable to earn 80% or more of his or her Indexed
 - 22 Earnings from working in his or her Regular Occupation.
 - 23 ○ After Disability Benefits have been payable for 24 months, the
 - 24 Employee is considered Disabled if, solely due to Injury or
 - 25 Sickness, he or she is:
 - 26 ▪ 1. unable to perform the material duties of any occupation for
 - 27 which he or she is, or may reasonably, become, qualified
 - 28 based on education, training or experience; and

- 2. unable to earn 80% or more of his or her Indexed Earnings.

10. Prior to her disability under the terms of the Plan, on or about February 22, 2013, Plaintiff, who had been employed with Community Memorial Health System, was working as an Outpatient Clinic Manager.

11. However, Plaintiff became disabled under the terms of the Plan and timely submitted a claim to LINA for payment of disability benefits.

12. LINA subsequently approved and paid Plaintiff LTD benefits.

13. However, on or about August 28, 2015 and October 28, 2015, LINA unreasonably and unlawfully denied her long term disability claim. And, on or about January 29, 2016, LINA unreasonably and unlawfully upheld its denial of the disability claim.

14. According to LINA's denial letters:

- **October 28, 2015:** “After completing our review of your claim, we are unable to continue paying benefits beyond August 28, 2015 ...You have the right to bring a legal action for benefits under the Employee Retirement Income Security Act of 1974 (ERISA) section 502(a) following an adverse benefit determination on appeal.”
- **January 29, 2016:** “After completing our review of your claim, we are unable to continue paying benefits beyond August 28, 2015... You have the right to bring a legal action for benefits under the Employee Retirement Income Security Act of 1974 (ERISA) section 502(a)...”

15. In so doing, LINA unreasonably and unlawfully failed to timely identify the medical personnel who reviewed Plaintiff's file; relied upon the opinions of physicians who were financially biased and/or not qualified to refute the findings of Plaintiff's board certified physicians; relied strictly upon physical requirements of occupations instead of taking into consideration the non-exertional requirements of Plaintiff's own, or any,

1 occupation; and misrepresented the terms of the Policy.

2 16. Additionally, LINA knew, or should have known, that the documentation
3 submitted to and/or obtained by LINA clearly substantiated Plaintiff's disability.

4 17. To date, even though Plaintiff has been disabled, LINA has not paid
5 Plaintiff any disability benefits under the Policy since on or about August 28, 2015. The
6 unlawful nature of LINA's denial decision is evidenced by, but not limited to, the
7 following:

- 8 • LINA engaged in procedural violations of its statutory obligations under
9 ERISA, including, but not limited to, failing to promptly identify the
10 medical consultants who reviewed her file; failing to timely advise
11 Plaintiff of what specific documentation it needed from her to perfect her
12 claim; and, failing to provide a complete copy of all documents, records,
13 and other information relevant to her claim despite a request by Plaintiff
14 in violation of 29 C.F.R. Section 2560.530-1(h)(2)(iii);
- 15 • LINA ignored the obvious, combed the record and took selective
16 evidence out of context as a pretext to deny Plaintiff's claim; and,
- 17 • LINA ignored the opinions of Plaintiff's board certified treating
18 physicians and/or misrepresented the opinions of Plaintiff's treating
19 physicians. Deference should be given to the treating physician's
20 opinions as there are no specific, legitimate reasons for rejecting the
21 treating physicians' opinions which are based on substantial evidence
22 in the claim file. Further, LINA's highly conflicted physician's opinion
23 does not serve as substantial evidence, as it is not supported by
24 evidence in the claim file, was not issued by a physician with the same
25 level of medical expertise as the board certified treating physicians, nor
26 is it consistent with the overall evidence in the claim file.

27 18. For all the reasons set forth above, the decision to deny disability
28 insurance benefits was wrongful, unreasonable, irrational, sorely contrary to the

1 evidence, contrary to the terms of the Plan and contrary to law. Further, LINA's denial
2 decision and actions heighten the level of skepticism with which a court views a
3 conflicted administrator's decision under *Abatie v. Alta Health & Life Insurance Co.*, 458
4 F.3d 955 (9th Cir. 2006) and *Metropolitan Life Insurance Co. v. Glenn*, 128 S. Ct. 2342
5 (2008).

6 19. Additionally, ERISA imposes higher-than-marketplace quality standards
7 on insurers. It sets forth a special standard of care upon a plan administrator, namely,
8 that the administrator "discharge [its] duties" in respect to discretionary claims
9 processing "solely in the interests of the participants and beneficiaries" of the plan, §
10 1104(a)(1); it simultaneously underscores the particular importance of accurate claims
11 processing by insisting that administrators "provide a 'full and fair review' of claim
12 denials," *Firestone*, 489 U.S., at 113 (quoting § 1133(2)); and it supplements
13 marketplace and regulatory controls with judicial review of individual claim denials, see
14 § 1132(a)(1)(B).

15 20. As a direct and proximate result of LINA's failure to provide Plaintiff with
16 disability benefits, Plaintiff has been deprived of said disability benefits beginning on or
17 about August 29, 2015 to the present date.

18 21. As a further direct and proximate result of the denial of benefits, Plaintiff
19 has incurred attorney fees to pursue this action, and is entitled to have such fees paid
20 by defendants pursuant to 29 U.S.C. § 1132(g)(1), ERISA § 502(g)(1).

21 22. A controversy now exists between the parties as to whether Plaintiff is
22 disabled as defined in the Plan. Plaintiff seeks the declaration of this Court that she
23 meets the Plan definition of disability and consequently she is entitled to all benefits
24 from the Plan to which she might be entitled while receiving disability benefits, with
25 reimbursement of all expenses and premiums paid for such benefits from August 29,
26 2015 to the present. In the alternative, Plaintiff seeks a remand for a determination of
27 Plaintiff's claim consistent with the terms of the Plan.

28 WHEREFORE, Plaintiff prays for relief against Defendants as follows:

1 1. An award of benefits in the amount not paid Plaintiff beginning on or about
2 August 29, 2015, together with interest at the legal rate on each monthly payment from
3 the date it became due until the date it is paid; plus all other benefits from the Plan to
4 which she might be entitled while receiving disability benefits, with reimbursement of all
5 expenses and premiums paid for such benefits or, in the alternative, a remand for a
6 determination of Plaintiff's claim consistent with the terms of the Plan;


7 2. An order determining Plaintiff is entitled to future disability
8 payments/benefits so long as she remains disabled as defined in the Plan;

9 3. For reasonable attorney fees incurred in this action; and,

10 4. For such other and further relief as the Court deems just and proper.

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13 Dated: January 25, 2017

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17 LISSA A. MARTINEZ
18 SUSAN B. GRABARSKY
19 PHILLIP S. BATHER
20 Attorneys for Plaintiff